

**REMARKS**

This is submitted as a full and complete response to the outstanding restriction requirement. The Examiner has required restriction between Group I, claims 1-18 drawn to the apparatus/method for a variable bit rate coding and Group II, claims 17-24 drawn to the apparatus/method for motion picture conversion. The applicant herewith elects to continue prosecution on the claims of Group II, namely claims 17-24.

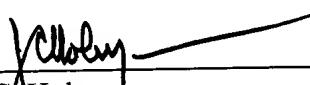
The Examiner further requires an election of species grouping the species of Group II in three species, graphically displayed by the figures. The applicant herewith elects to continue prosecution on species 1, namely Figures 17 and 18 and claims 17 and 21 correspond to that species. This election is made without traverse.

It is understood that if a generic or subgeneric claim is found allowable that the non-elected claims depend from, such non-elected claims should also be found allowable in this application. The Examiner holds that no claims are generic and therefore early examination is requested on elected claims 17 and 21.

Respectfully submitted,

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